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Schedule 3.1 - Subsidiaries

The Subsidiaries of OnePoint Communications Corp. are as follows:

<u>Name of Subsidiary</u>	<u>Jurisdiction of Organization</u>	<u>Issued Shares/Units</u>	<u>Shares Held by OP</u>
OnePoint Communications-Colorado, LLC	Delaware	100	100
OnePoint Communications-Illinois, LLC	Delaware	100	100
OnePoint Communications-Georgia, LLC	Delaware	100	100
OnePoint Communications Holdings, LLC	Delaware	100	100
Mid-Atlantic RMTS Holdings LLC	Delaware	10	9.9
VIC-RMTS-DC, LLC	Delaware	28.710	25.265
OnePoint Services LLC	Delaware	Common: 6,600,700 Preferred: 1,629,300	4,370,700 1,629,300
RCP Communications, Inc. ¹	Arizona	2,000	0
OnePoint Prepaid Services LLC ²	Delaware	N/A	N/A
<u>Other Minority Investments:</u>			
ComPlus, L.P.	Delaware	General Partner Units: 10 Class A LP Units: 1,000	0 10

¹ 100% owned by OnePoint Services, LLC² Dissolved

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Schedule 3.1(a) – Jurisdictions Where Entities are Authorized to do BusinessOnePoint Communications Corp.:

Arizona
California
Colorado
Delaware
District of Columbia
Florida
Georgia
Illinois
Maryland
Michigan
Nevada
New Jersey
New York
North Carolina
Ohio
Pennsylvania
South Carolina
Tennessee
Virginia
Washington
West Virginia

OnePoint Services:

California
Arizona
Florida
Illinois
Louisiana
New Mexico
Arkansas
Nevada
Texas
Colorado
Idaho (Pending)
Tennessee (Pending)
Mississippi (Pending)
Pennsylvania (Pending)
Indiana (Pending)
Georgia (Pending)
Utah (Pending)
Virginia (Pending)
North Carolina (Pending)

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Schedule 3.2 - Capital Structure

<u>Owner</u>	<u>Shares of Common Stock</u>	<u>Percent</u>
Ventures in Communications II, LLC	1,010,075	98.1%
Bell Atlantic Investments, Inc.	19,570	1.9%

Notes:

Immediately prior to the Effective Date, Company has authorized 2,000,000 shares of \$0.01 par value common stock, 1,029,645 of which are issued and outstanding.

Company has outstanding warrants to purchase an additional 111,125 shares of its Common Stock, which were issued in May 1998 in connection with its issuance of 14 ½% Senior Notes.

Ventures in Communications II, LLC owns all 35,000 of the authorized and issued shares of \$1.00 par value preferred stock of the Company ("Preferred Stock"). Shares of Preferred Stock are entitled to a liquidation preference equal to \$1,000 per share. Shares of Preferred Stock are not convertible into any other class of capital stock.

Company's subsidiary, OnePoint Communications Holdings, LLC has the right to repurchase all of the membership units of VIC-RMTS-DC, LLC purchased by SBC Comventures, Inc. pursuant to a Purchase Agreement dated December 16, 1999 at a price equal to the price paid for the purchased units plus 15% per annum. SBC Comventures, Inc. has the right to put its interest in VIC-RMTS-DC, LLC to Company's chairman and controlling shareholder under the same terms as the OnePoint Communications Holdings, LLC call provision.

Warrant Holders information attached

Full

TUESDAY, JULY 4, 2000
REPORT SWL01001
0838
06/30/2000

ONE POINT COMMUNICATIONS CORPORATION
WARRANTS
2000/06/30

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CERTIFIED SHAREHOLDER LIST

ACCT#/TAX ID/MAIL CD
NAME & ADDRESS

SHARES

ACCT#/TAX ID/MAIL CD
NAME & ADDRESS

SHARES

3000000001 132-55-5119
CEDE & CO
C/O DEPOSITORY TRUST CO
55 WATER STREET
NEW YORK NY 10041

174,000.000

ISSUE: 0838	
TOTAL SHRS:	174,000.000
TOTAL ACCTS:	1

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07/05/00 14:40 FAX 312 755 1312
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STOCK APPRECIATION RIGHTS ("SAR") PLAN COMMENTS:

- 166,669 shares have been allocated to the SAR Program.
- As of July 31, 2000, 49% (equivalent to 82,055 shares) of the available shares have been awarded. The number of awards may change subject to new awards and/or terminations. Except for SAR grants to new hires, SAR grants for the year 2000 have not been issued to date.
- Pursuant to the OnePoint Communications Stock Appreciation Rights Plan (the "OP SAR Plan"), OnePoint Communications' Compensation Committee has the sole and complete discretion to make any decisions relating to the SARs including, but not limited to, accelerating vesting and revising the originally awarded strike price. This flexibility provides OPC with an effective retention vehicle - particularly in change in control situations.

Hire Date	Function	Employee Name	1998 Awards	1999 Awards				2000 Awards				Total
			Expire 2008	Expire 2009				Expire 2010				1998+1999+ 2000 Awards
			67.50	67.50	135.00	262.71	Total	67.50	135.00	262.71	Total	
08/31/98	OPS-MA	Adcock, Wayne T.			25		25				0	25
07/27/98	OPS-SW	Allen, Timothy C.			100		100				0	100
09/08/98	OPS-C	Arquilla, Linda J.			25		25				0	25
09/14/98	OS-CC	Balzer, Elisabeth H.			50		50				0	50
03/12/98	OPS-SE	Barkley, Debbie O.			25		25				0	25
09/01/98	OPS-MA	Barrow, Cynthia H.			25		25				0	25
04/23/98	OPS-SW	Bates, Wendy			100		100				0	100
11/18/98	OPS-SE	Beaver, Richard D.			25		25				0	25
08/01/97	OPS-SE	Beaver, William F.	75		25		25				0	100
04/20/98	OPS-SE	Becht (Crain), Duran		250	250		500				0	500
07/27/98	OPS-W	Bell, Jeffrey N.			75		75				0	75
07/06/98	OS-IS	Bandoff, Michael D.			25		25				0	25
10/01/98	EXEC	Bergman, Jon	1,250		3,750		3,750				0	5,000
05/26/98	FIN	Battino, Brent D.			25		25				0	25
08/31/98	OPS-SE	Bowen, Cynthia			25		25				0	25
07/13/98	OPS-C	Bower, Jeffrey P.					0				0	0
07/31/98	OPS-C	Brosnan, Karl F.			25		25				0	25
04/01/98	OPS-SE	Brown, Dwane M.			25		25				0	25
03/15/99	NS	Brown, Robert M.			1,000		1,000				0	1,000
08/29/98	OPS-MA	Brunson, Cynthia A.	75		25		25				0	100
08/30/98	OPS-SE	Bunce, Arthur J.			75		75				0	75
04/27/98	OS-CC	Burgo, Tara L.			25		25				0	25
07/09/98	OPS-SE	Burd, Eric M.			25		25				0	25
12/01/98	OPS-SE	Buscher, Meredith			25		25				0	25
06/15/98	OPS-MA	Campbell, Michael			25		25				0	25
12/07/98	OPS-W	Cassidy, Kevin			1,000		1,000				0	1,000
07/21/97	OPS-MA	Charlebois, Aime B.	375		100		100				0	475
11/09/98	FIN	Chazin, Kim			100		100				0	100
08/26/97	OS-BIL	Chesley, Carla	75		25		25				0	100
04/27/98	OS-CC	Chio, Nancy			25		25				0	25
08/16/98	OPS-W	Clark, Ben M.			100		100				0	100
08/10/98	OPS-MA	Claude, Alex			25		25				0	25
11/18/98	OPS-SE	Conway, Kimberly			25		25				0	25
05/15/98	OPS-SW	Copplinger, Julie L.			25		25				0	25
04/29/98	OS-CC	Criglar, Deldric R.			25		25				0	25
03/01/95	OPS-SE	Dani, Laurel A.	6,000	1,000	0		1,000				0	7,000
05/18/98	OPS-SE	Dewberry, Alicia			100		100				0	100

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3.2 SAR Participants

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Hire Date	Function	Employee Name	1998 Awards Expire 2006	1998 Awards Expire 2009			2000 Awards Expire 2010				Total 1998+1999+ 2000 Awards
			67.50	67.50	135.00	262.71	Total	67.50	135.00	262.71	Total
11/02/98	OPS-W	Dickel, Robin			25		25				0
08/01/98	OPS-C	DiForti, Victor J.			25		25				0
08/04/97	OS-IS	Drannon, Daniel T.	900		0		0				0
02/29/00	SM-SE	DuBols, Christopher					0			500	500
11/16/98	OPS-MA	Dujon, Sharon			75		75				0
02/03/98	OPS-SE	Dunne, P. Kelley	2,000		300		300				0
08/26/98	EXS	Eisbury, Patricia J.	200		50		50				0
04/06/98	OPS-C	Flaa, Patricia			75		75				0
04/06/98	OS-CC	Floyd, Bernard			25		25				0
05/18/98	OPS-SW	Foley, Melissa A.			25		25				0
02/15/99	NS	Fuller, Mark			10,000		10,000				0
08/23/99	OPS-W	Gaden, Monty			1,000		1,000				0
02/27/98	OPS-W	Gardner, Wade G.			500		500				0
09/30/98	OPS-C	Garza, Che			25		25				0
08/30/99	NS-ENG	Giles, William W.			500		500				0
02/24/97	OPS-MA	Gimblett, Jeannine M.	150		100		100				0
08/22/98	HR	Glaeser, AnnaMarie			500		500				0
12/14/98	OS-CC	Glaros, Cynthia			500		500				0
06/12/00	SM-NA	Glasner, David								150	150
11/01/95	OPS-C	Graver, Patricia	750		0		0				0
03/13/00	OS-IS	Guo, Yi R.					0			25	25
07/07/97	OPS-C	Gutierrez, Thomas E.	1,000		0		0				0
08/15/98	OS-IS	Haerl, Mehmaz (Monet) A.			25		25				0
03/02/98	OS-CC	Hall, Bryan L.			50		50				0
06/08/98	OPS-SE	Hall, Weston T.			100		100				0
02/13/98	OPS-SE	Hanner, Robert P.			25		25				0
03/16/98	OPS-MKTG	Harris, Nicol J.			25		25				0
08/17/98	OPS-SE	Hart, Rhonda L.			75		75				0
09/11/98	OPS-C	Haynes, Lisa L.			25		25				0
08/17/98	OPS-C	Heideburg, Anllonette R.			25		25				0
05/01/98	OPS-W	Hill, Dianne M.			100		100				0
08/30/97	OPS-SE	Hillman, John D.	300		0		0				0
10/19/98	FIN	Hopkins, Marc			100		100				0
08/07/97	OPS-SE	Hughes, Jean P.	75		25		25				0
03/08/98	OPS-SE	Imhof, Thomas R.			25		25				0
06/08/98	OPS-SE	Johnson, David			75		75				0
10/23/97	OS-IS	Jones, Regina A.	75		25		25				0
02/21/00	LEGAL	Kalley, Stephen W.					0	1,000			1,000
10/14/98	HR	King, Tracey			100		100				0
08/04/97	OPS-MA	Kirkland, Kevin W.	900	1,000	0		1,000				0
08/11/97	OPS-SE	Krouse, Kenneth L.	1,200		0		0				0
08/01/98	OPS-C	Kubacki, John			1,000		1,000				0
09/18/98	OPS-W	Lewis, Wendy L.			25		25				0
08/17/98	OS-IS	Lindenmayer, Rodney F.			25		25				0
09/27/99	OS-SS	Linsid, Devo			300		300				0
09/21/98	OPS-C	Mack, YaVonne G.			75		75				0
06/30/98	OPS-C	Magnuson, Glenn A.					0				0
08/10/98	OPS-C	Marino, Alfred A.					0				0
05/11/98	OPS-MA	Martin, Ronald W.			25		25				0
07/27/98	OPS-W	Martin, Scott M.	2,000		500		500				0
11/18/98	OPS-SE	Mason, Robin			25		25				0
08/18/97	NP	McCollar, Kristen	150		100		100				0

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3.2 SAR Participants

7/31/00

Hire Date	Function	Employee Name	1998 Awards Expire 2008	1999 Awards Expire 2009			2000 Awards Expire 2010				Total 1998+1999+ 2000 Awards	
			87.50	67.50	135.00	282.71	Total	87.50	135.00	282.71	Total	
11/16/98	OPS-SE	Miller, Alicia			25		25				0	25
09/29/97	OPS-SE	Morgan, Daniel W.	75		100		100				0	175
08/04/97	OPS-SE	Mills, Rebecca S.	1,200		100		100				0	1,300
09/18/98	OPS-W	Mollenkopf, Lisa A.			25		25				0	25
03/15/95	NP	Moore, Chantal	5,500	1,500	0		1,500				0	7,000
	OP Svcs	Moschner, AJ				1,789	1,789				0	1,789
04/07/98	NS-NA	Moulton, Gary W.			500		500				0	500
09/24/98	OPS-C	Murphy, M. Courtney			100		100				0	100
02/17/97	OPS-MA	Noll, Matthew E.	2,300		0		0				0	2,300
06/22/98	HR	Nylander, Kimberly C.			25		25				0	25
08/03/98	OPS-C	Ortega, Margarita (Kitty)			25		25				0	25
	OP Svcs	Ostrowski, Tim				597	597				0	597
09/01/98	OPS-MA	Overton, David A.			25		25				0	25
	BOD	Pace, Linda	0		250		250				0	250
05/18/98	OPS-W	Palmer, Michael J.			175		175				0	175
08/18/97	HR	Papa, Jennifer E.	150		100		100				0	250
06/01/98	OS-CC	Patterson, Leigh A.			25		25				0	25
08/17/98	OPS-C	Perez, David			100		100				0	100
05/16/98	OS-CC	Parkins, Rubin E.			25		25				0	25
06/22/98	OPS-SE	Paron-Kupka, Wendy			25		25				0	25
05/26/98	OPS-C	Parzan, Douglas W.			150		150				0	150
07/29/98	OPS-SW	Peterson, Erik R.			100		100				0	100
05/04/98	OPS-C	Pomozy, Atila H.			25		25				0	25
08/18/97	FIN	Powell, Stephanie L.	75		25		25				0	100
09/14/98	OPS-SE	Powers, Brian W.			400		400				0	400
07/07/98	OPS-C	Precht, Stephen			25		25				0	25
03/22/99	FIN-CD	Quimson, Liz			1,000		1,000				0	1,000
07/20/98	HR	Rich, Joseph D. (JD)			500		500				0	500
03/11/98	OPS-C	Rogalski, Bonnie J.			25		25				0	25
10/01/97	OPS-SE	Rolfe, Lynn	75		25		25				0	100
07/20/98	OPS-C	Rosado, Maria			25		25				0	25
03/09/98	OS-CC	Ross, Kimberly M.			25		25				0	25
07/13/98	OPS-MA	Saher, November M.			25		25				0	25
11/09/99	HR	Samuelson, Christopher D.			500		500				0	500
06/02/97	OPS-C	Schnack, Andrew R.	300		200		200				0	500
10/01/98	OPS-MKTG	Seawell, Scott	2,000		500		500				0	2,500
06/02/97	NP	Silla, John D.	75		25		25				0	100
12/27/99	OS-IS	Simon J. Lin					0			300	300	300
06/01/98	OPS-SE	Simpson, Joan T.			25		25				0	25
01/29/96	OPS-SW	Skaggs, Alisa L.		500	500		1,000				0	1,000
06/22/00	NS-DATA	Skladman, Julia								300	300	
09/17/98	OPS-SW	Slack, Kathleen Ann			25		25				0	25
07/21/97	OPS-MKTG	Sonne, Barry I.	75		175		175				0	250
11/16/98	OPS-SE	Squires, Marlon			25		25				0	25
07/01/98	OPS-SW	Standley, Kendra S.			25		25				0	25
03/15/98	FIN	Stavig, John D.	1,200		0		0				0	1,200
04/05/98	NS	Stipe, C. William III			4,000		4,000				0	4,000
08/24/98	NP	Sweet, Sheri B.			500		500				0	500
05/26/98	OPS-MA	Swinson, Rita D.			25		25				0	25
08/31/98	OPS-C	Thompson, Deborah M.			25		25				0	25
08/06/00	NS-DATA	Thompson, Michael						5,000			5,000	5,000
07/13/98	OPS-C	Wallace, Christie A.			25		25				0	25

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3.2 SAR Participants

7/31/00

Hire Date	Function	Employee Name	1998 Awards Expire 2006	1999 Awards Expire 2009				2000 Awards Expire 2010				Total 1998+1999+ 2000 Awards
			87.50	67.50	135.00	262.71	Total	67.50	135.00	262.71	Total	
08/18/96	EXEC	Wallace, William	869		0		0				0	869
07/27/98	OPS-C	Warner, Preston			25		25				0	25
03/24/99	OPS-MKTG	Westenfelder, Bruce A.			50		50				0	50
07/12/99	OS-SS	White, David P.			1,200		1,200				0	1,200
07/28/97	OPS-SE	Whitmore, Georgeans P.	75		100		100				0	175
10/18/98	OPS-SE	Williams, D. Mike			150		150				0	150
08/17/98	OPS-SE	Wright, Nancy W.			25		25				0	25
11/16/98	OPS-SE	Yang, Yuni			100		100				0	100
04/14/97	OPS-MKTG	Yazici, M. Matthew	300		75		75				0	375

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3.2 SAR Participants

7/31/00

Hire Date	Function	Employee Name	1998 Awards Expire 2008	1999 Awards Expire 2009				2000 Awards Expire 2010				Total 1998+1999+ 2000 Awards
			67.50	67.50	135.00	262.71	Total	67.50	135.00	262.71	Total	
				Stock Appreciation Rights				Average				
				Year	Awarded	Forfeited	Outstanding	Strike Price				
				1998	71,919	40,000	31,919	87.50				
				1999	47,061	4,200	42,861	135.00				
				2000	7,275	-	7,275	262.71				
				TOTAL	126,255	44,200	82,055					
				SARs remaining to be awarded				84,614				
				* As of 7/31/00								

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Schedule 3.3 – Authority

ComDisco, Inc. Master Agreement dated 9/17/99 – OP believes that on Closing, after SBC's indirect 9.9% interest in OP is extinguished, ComDisco may have the right to claim an Event of Default and pursue its remedies under the Master Agreement and the Product Supplement dated September 17, 1999.

Upon Closing, as OP will no longer have an affiliation with SBC Operations, OP believes that there is a slight risk that it may lose certain material benefits of the SBC Operations and Sprint Communications Company Agreement dated 5/1/99, as amended. OP is awaiting a written acknowledgment directly from Sprint acknowledging that it will continue to provide service to OP pursuant to the terms of that agreement.

Indenture dated May 21, 1998 between OP and Harris Trust and Savings Bank (the "Indenture") – Consummation of the merger may result in a breach of Section 5.1 of the Indenture because OP may not be in compliance with the terms of Section 5.01(iv)(b) resulting in an Event of Default.

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Report of Independent Auditors

Stockholder
OnePoint Communications Corp.

We have audited the accompanying consolidated balance sheets of OnePoint Communications Corp. as of December 31, 1999 and 1998, and the related consolidated statements of operations, comprehensive income, unitholders'/stockholder's equity (deficit) and cash flows for each of the three years in the period ended December 31, 1999. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statements of Mid-Atlantic Telcom Plus Holdings, LLC, an investment in a 41.4% owned unconsolidated subsidiary, which statements reflect total assets of \$58.5 million and \$57.2 million as of December 31, 1999 and 1998, respectively, and total revenues of \$19.8 million, \$16.5 million and the \$14.0 million for each of the three years in the period ended December 31, 1999. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to data included for Mid-Atlantic Telcom Plus Holdings, LLC, is based solely on the report of the other auditors.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principals used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits and the report of other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audits and the report of other auditors, the financial statements referred to above present fairly, in all material aspects, the consolidated financial position of OnePoint Communications Corp. at December 31, 1999 and 1998, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 1999, in conformity with accounting principles generally accepted in the United States.

February 29, 2000
McLean, Virginia

/s/ Ernst & Young LLP

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OnePoint Communications Corp.

Consolidated Statements of Operations

	1999	December 31 1998	1997
	(In Thousands, except per share data)		
Revenue	\$ 22,138	\$ 6,953	\$ 43
Cost of revenue	22,006	8,765	43
Gross margin (loss)	132	(1,812)	(40)
Expenses:			
Selling, general and administrative	53,667	27,873	12,788
Depreciation and amortization	3,060	1,455	235
Loss from operations	(56,595)	(31,140)	(13,063)
Other income (expense):			
Interest income	3,197	6,042	72
Interest expense	(15,277)	(15,846)	(11)
Other income (loss)	(285)	17	(17)
Loss on disposals of equipment	(96)	--	--
Loss-abandonment of leasehold improvements	(274)	--	--
	(12,735)	(9,787)	14
Equity in losses of unconsolidated subsidiaries	(69,330)	(40,927)	(13,019)
	(3,828)	(3,698)	(3,072)
Loss before extraordinary items	(73,158)	(44,625)	(16,091)
Extraordinary Items:			
Gain on bond repurchases	20,432	19,799	--
Net loss	\$ (52,726)	\$ (24,826)	\$ (16,091)
Basic and diluted earnings per share:			
Loss before extraordinary items	\$ (73.16)	\$ (44.62)	\$ (16.09)
Extraordinary items	20.43	19.80	--
Net loss	\$ (52.73)	\$ (24.82)	\$ (16.09)
Shares used in computing loss per share:			
Weighted average common shares--basic and diluted	1,000,000	1,000,000	1,000,000

See accompanying notes.

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OnePoint Communications Corp.

Consolidated Statements of Comprehensive Loss

	December 31		
	1999	1998	1997
Net loss	\$(52,726)	\$(24,826)	\$(16,091)
Other comprehensive income, net of tax:			
Unrealized (loss) gain arising during the year on securities	(666)	701	--
Comprehensive loss	\$(53,392)	\$(24,125)	\$(16,091)

See accompanying notes.

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OnePoint Communications Corp.

Consolidated Balance Sheet
(dollars in thousands, except per share data)

	December 31	
	1999	1998
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Assets		
Current assets:		
Cash and cash equivalents	\$ 6,608	\$ 5,730
Restricted cash	134	5,199
Investment in marketable securities, current	4,230	13,118
Accounts receivable:		
Trade, net	2,722	2,277
Related party	266	653
Prepaid expenses	3,358	898
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Total current assets	17,318	27,875
Investment in marketable securities, noncurrent		
(\$23,390 and \$73,377 restricted at December 31, 1999	24,570	86,705
and 1998, respectively)		
Investments in unconsolidated subsidiaries	2,240	6,283
Property and equipment, net	20,378	10,923
Intangible assets, net	10,909	11,799
Other assets	5,993	5,722
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Total assets	\$ 81,408	\$149,307
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	December 31	
	1999	1998
Liabilities, minority interest, redeemable preferred stock, and Common Stockholder's deficit		
Current liabilities:		
Accounts payable and accrued expense	\$ 17,232	\$ 6,857
Related Party payable	3,778	3,538
Accrued interest payable	1,152	1,701
Current portion of long-term debt	980	250
Total current liabilities	23,142	12,366
Deferred obligations	864	310
Deferred gain on sale of equity interest in consolidated Subsidiary	9,188	--
Minority interest in consolidated subsidiaries	1,041	--
Long-term debt	102,437	138,503
Redeemable preferred stock, \$1.00 par value, 33,000 shares authorized, 33,000 shares issued and outstanding at redemption value	35,000	35,000
Stockholder's deficit:		
Common stock, \$0.01 par value, 2,000,000 shares authorized, 1,000,000 shares issued and outstanding at December 31, 1998	10	10
Additional capital	6,870	6,870
Note receivable - stockholder	(1,500)	(1,500)
Accumulated deficit	(93,679)	(42,553)
Other comprehensive income	35	701
Total common stockholder's deficit	(90,264)	(36,872)
Total liabilities, minority interest, redeemable preferred stock, and common stockholder's deficit	\$ 81,408	\$ 149,307

See accompanying notes

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OnePoint Communications Corp.

Consolidated Statements of Unitholder's/Stockholder's Equity/(Deficit)
(dollars in thousands, except per share data)

	Redeemable Units		Member Units		Notes	
	Units	Amount	Units	Amount	Unitholder/Stockholder	
Balance, December 31, 1996	\$ --	\$ --	10,000	\$ 15,640	\$ --	
Additional unitholder contributions	--	--	--	12,000	--	
Issuance of units - 1999	--	--	--	1,580	(1,580)	
recapitalization	199,000	33,500	791,000	27,640	--	
1997 Recapitalization	--	--	--	--	--	
Comprehensive Income:	--	--	--	--	--	
Balance, December 31, 1997	199,000	33,500	801,000	1,380	(1,580)	
1998 recapitalization (Note 1)	(199,000)	(33,500)	(801,000)	(1,580)	--	
Unit-holder payment	--	--	--	--	80	
Warrants	--	--	--	--	--	
Comprehensive Income:	--	--	--	--	--	
Net (loss)	--	--	--	--	--	
Net unrealized gain on marketable securities	--	--	--	--	--	
Balance, December 31, 1998	--	--	--	--	(1,500)	
Comprehensive Income:	--	--	--	--	--	
Net (loss)	--	--	--	--	--	
Net unrealized loss on marketable securities	--	--	--	--	--	
Balance, December 31, 1999	--	\$ --	--	\$ --	\$ (1,500)	

	Common Stock	Additional Capital	Accumulative Deficit	Accumulated Comprehensive Income	Total Equity
Balance, December 31, 1996	\$ --	\$ --	\$ (2,036)	\$ --	\$13,604
Additional unitholder contributions	--	--	--	--	12,000
Issuance of units - 1999	--	--	--	--	--
recapitalization	--	--	--	--	5,860
1997 Recapitalization	--	--	--	--	--
Comprehensive Income:	--	--	--	--	--
Balance, December 31, 1997	--	--	118,127	--	13,373
1998 recapitalization (Note 1)	10	1,570	--	--	(33,300)
Unit-holder payment	--	--	--	--	80
Warrants	--	5,300	--	--	5,300
Comprehensive Income:	--	--	--	--	--
Net (loss)	--	--	(24,826)	--	(24,826)
Net unrealized gain on marketable securities	--	--	--	701	701
Balance, December 31, 1998	10	6,870	(12,933)	701	(16,472)
Comprehensive Income:	--	--	--	--	--
Net (loss)	--	--	(52,726)	--	(52,726)
Net unrealized loss on marketable securities	--	--	--	(666)	(666)
Balance, December 31, 1999	\$ 10	\$ 6,870	\$ (95,670)	\$ 35	\$ (90,264)

See accompanying notes

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OnePoint Communications Corp.

Consolidated Statements of Cash Flow
(dollars in thousands)

	1999	December 31 1998	1997
Operating activities			
Net loss	\$ (52,726)	\$ (24,826)	\$ (16,021)
Adjustments to reconcile net loss to net cash used in operating activities:			
Loss on disposals of equipment	96	--	--
Loss on abandonment of leasehold improvements	274	--	--
Depreciation and amortization	3,060	1,455	235
Amortization of premium (discount) of securities acquired			
included in interest income	(499)	499	--
Amortization of debt discount and issuance cost included in interest expense	513	552	--
Amortization of warrants included in interest expense	299	63	--
Amortization of developer payments included in reselling costs	367	173	--
Losses in equity interest of unconsolidated investments	3,828	3,698	3,072
Extraordinary gain on bond repurchases	(20,432)	(19,799)	--
Unrealized loss (gain) on investments in marketable securities	(666)	(701)	--
Change in allowance for doubtful accounts	383	206	7
Changes in operating assets and liabilities:			
Trade receivable	(828)	(2,454)	(39)
Related party receivable	387	(620)	(51)
Developer payments PCTV acquisition	--	(5,400)	--
Prepaid expenses	(2,460)	--	(1,121)
Other assets	(639)	(50)	190
Accounts payable and accrued expenses	10,375	4,281	2,370
Related party payable	220	3,559	--
Accrued interest	(549)	1,690	11
Other deferred	234	--	--
Net cash used in operating activities	(58,442)	(37,672)	(11,427)

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OnePoint Communications Corp.

Consolidated Statements of Cash Flow (continued)
(dollars in thousands)

	1999	December 31 1998	1997
Investing activities			
Restricted cash, net	5,065	(5,199)	13,000
Acquisition of intangible assets	(3,135)	(4,467)	--
Purchase of equity investments	--	--	(13,133)
Proceeds from sale of marketable securities	106,782	65,179	--
Purchase of marketable securities	(37,260)	(184,711)	--
Acquisition of property and equipment	(12,408)	(9,374)	(2,440)
Acquisition of other intangible assets	(432)	--	--
Proceeds from sale of unconsolidated subsidiary	135	--	--
Proceeds from sale of equity interest in consolidated subsidiary	10,000	--	--
Net cash used in investing activities	71,747	(118,572)	(2,573)
Financing activities			
Proceeds from issuance of long-term debt	14,434	\$ 188,050	\$ 1,500
Repayment of long-term debt	(27,090)	(22,151)	--
Minority interest	229	--	--
Debt discount and issuance costs	--	(9,468)	--
Unitholder contributions	--	80	17,860
Net cash provided by financing activities	(12,427)	156,511	19,360
Net increase in cash	878	267	1,360
Cash at the beginning of period	5,730	5,463	103
Cash at the end of period	\$ 6,608	\$ 5,730	\$ 5,463

See accompanying notes

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OnePoint Communications Corp.

Notes to Consolidated Financial Statements
 (Dollars in thousands, except per share data)
 For the Years ended December 31, 1999, 1998 and 1997

1. Organization and Recapitalization

Organization

OnePoint Communications Corp., (the "Company") was incorporated to provide bundled communications services including local and long distance telephony, video programming and Internet access to residents of multiple dwelling units ("MDUs"). The Company is the successor to OnePoint Communications, L.L.C. (the "Predecessor"). The Predecessor entered into several significant contracts and began to generate revenue during the second half of 1997.

The Company consists of OnePoint Communications Corp., the parent company and its wholly-owned subsidiaries, OnePoint Communications-Colorado, L.L.C., OnePoint Communications-Illinois, L.L.C., OnePoint Communications-Georgia, L.L.C., OnePoint Communications Holdings, L.L.C. ("OPC Holdings"), and its majority-owned subsidiary OnePoint Services, LLC ("OPS") in which the Company maintains a 71.3% interest and has been consolidated in the Company's financial statements. In addition, through OPC Holdings, the Company maintains (i) a 75.52% interest in VIC-RMTS-DC, L.L.C., which has been consolidated in the Company's financial statements and (ii) 41.38% interest in Mid-Atlantic Telcom Plus, L.L.C. (Mid-Atlantic), a subsidiary accounted for under the equity method (see Note 7).

In October 1997, AMI-VCOM2, Inc. ("AMI2") transferred to Ventures In Communications, LLC ("VIC") its membership units of the Predecessor. Mr. Otterbeck, the Company's chairman became a member of the Predecessor and the Predecessor was recapitalized (the Recapitalization). Pursuant to the Recapitalization, VIC agreed to guarantee up to \$9,000 of collateralized indebtedness of the Predecessor, contributed additional capital to the Predecessor (resulting in aggregate equity contributions to the Predecessor of \$33,500) and exchanged its membership interests for (i) 19.9% of the Predecessor membership units, and a priority on the first \$33,500 of distributions, (ii) a promissory note in the principal amount of \$1,500 due-October 15, 2007, which bore interest at 10% per annum (the Predecessor Note), and (iii) a warrant to purchase 5% of the common units outstanding following exercise of the warrant. In connection with the Recapitalization, Mr. Otterbeck purchased 80.1% of the Predecessor's membership units (which did not have a preferential return or priority on distributions) for an aggregate of \$80 and agreed to contribute up to an additional \$1,500 to the Predecessor. Mr. Otterbeck's 80.1% of the Predecessor's membership units are held by VenCom, L.L.C. ("VenCom"), a company in which Mr. Otterbeck is the sole member and manager. The parties also entered into (i) a Members Agreement that restricted the transfer of membership units and provided preemptive rights on the sale of new securities and (ii) a Registration Agreement that provided certain rights to register the Predecessor's securities under the Securities Act of 1933, as amended.

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OnePoint Communications Corp.

Notes to Consolidated Financial Statements (Continued)

1. Organization and Recapitalization (continued)

Organization (continued)

In April 1998, in order to convert the Predecessor into a corporation, VenCom, and VIC contributed their membership interests in the Predecessor and a \$1,500 promissory note payable by the Predecessor to VIC to Ventures in Communications II, LLC ("VIC2") in exchange for membership interests of VIC2. Subsequently, the Predecessor merged with and into the Company, with the Predecessor's outstanding membership interests and its \$1,500 promissory note payable to VIC exchanged for shares of the Company's common stock and preferred stock. As a result of the April 1998 merger transactions, the Company became a Delaware corporation, which is wholly owned by VIC2.

The operating agreement of VIC2 entered into April 1998 in connection with the Recapitalization (i) imposes certain restrictions on the transfer of VIC2's membership units; (ii) grants certain participation rights in connection with a sale of membership units by a member; (iii) grants VIC certain preemptive rights with respect to VIC2 membership units in connection with issuances by VIC2 of membership units or issuances by the Company of common stock; (iv) grants VIC the right to require VenCom to purchase all or any portion of the VIC2 membership units held by VIC; (v) grants a first refusal right to the members in connection with a transfer of VIC2 membership units and shares of the Company's common stock; (vi) requires the members to take certain actions in the event of an initial public offering by VIC2; and (vii) grants VIC the right to require VIC2 to exercise its demand and piggyback registration rights and to require VIC2 to distribute the proceeds of the resulting offering.

In August 1999, VenCom purchased 9.8% of the common units and all of the preferred units of VIC2 and a non-interest bearing promissory note for \$1,500 issued by VIC2 from VIC in exchange for an interest bearing note in the amount of \$60,700.

In October 1999, CAIS Internet, Inc. made a \$2,574 equity investment in VIC2. This investment gave CAIS Internet Inc. a 1.0 % indirect ownership in the Company, with the remaining membership interest owned by VIC (9.9%) and VenCom, LLC (89.1%). VIC also owns warrants to purchase 11.9% of the membership units of VIC2.

In November 1999, the Company established a 71.3% owned subsidiary, OnePoint Services, LLC, ("OPS") to acquire 100% of the equity of RCP Communications, Inc., a provider of pre-paid telephony services. The remaining minority ownership interest is held by management of OnePoint Services. Total consideration for this acquisition, recorder pursuant to the purchase method of accounting, was \$985 and 1,425,000 of restricted common units. Of these amounts

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1. Organization and Recapitalization (continued)

Organization (continued)

\$891 and 1,050,000 million restricted common units are being withheld subject to the achievement of certain revenue and cash flow performance criteria. The Company acquired assets with a fair market value of \$800 and assumed liabilities of \$3,020 resulting in goodwill of \$2.5 million. Goodwill will increase if the revenue and cash flow performance criteria are met and related contingent consideration is paid by the Company and will decrease if certain assumed liabilities are settled at lesser amounts due to negotiations or valuations allowances recorded against deferred tax assets are release in subsequent periods.

In December 1999, a subsidiary of SBC Communications, Inc. ("SBC"), purchased a 24% direct ownership interest in a majority-owned subsidiary of the Company, from OPC Holdings, a wholly-owned subsidiary of the company, in exchange for \$10,000. This agreement provided the Company the right to sell up to an additional 24% direct ownership interest in VIC-RMTS-DC on the same terms during 2000.

2. Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and the reported amounts of revenues and expenses during the reporting period.

Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

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OnePoint Communications Corp.

Notes to Consolidated Financial Statements (Continued)

2. Significant Accounting Policies (continued)

Marketable Securities

Management determines the appropriate classification of debt securities at the time of purchase and reevaluates such designation as of each balance sheet date. Debt securities are classified as held-to-maturity when the Company has the intent and ability to hold the securities to maturity. Held-to-maturity securities are stated at amortized cost, adjusted for amortization of premiums and accretion of discounts to maturity. Such amortization is included in investment income. Interest on securities classified as held-to-maturity is included in investment income.

Marketable equity securities and debt securities not classified as held-to-maturity are classified as available-for-sale. Available-for-sale securities are carried at fair value, with the unrealized gains and losses, net of tax, reported in a component of comprehensive income. The amortized cost of debt securities in this category is adjusted for amortization of premiums and accretion of discounts to maturity. Such amortization is included in investment income. Realized gains and losses and declines in value judged to be other-than-temporary on available-for-sale securities are included in investment income. The cost of securities sold is based on the specific identification method. Interest and dividends on securities classified as available-for-sale are included in investment income.

Property and Equipment

Property and equipment are stated at cost and depreciated on the straight-line method over their estimated useful lives, ranging from five to ten years. Leasehold improvements are depreciated over the shorter of their useful lives or the lease term, not to exceed fifteen years. The Company classifies installed wiring and hardware costs in construction in progress until the installation is completed, at which time the balances are classified as leasehold improvements.

Intangible Assets

Intangible assets consist of goodwill representing the excess of cost over net assets acquired and rights of entry ("ROE") contracts resulting from the purchase of certain assets and liabilities from Preferred Entertainment, Inc., a subsidiary of People's Choice-TV Corp. ("PCTV"); goodwill representing the excess of cost over net assets acquired resulting from the purchase of 100% of the equity interest of RCP Communications, Inc. ("RCP"); and deferred financing charges consisting of original issue debt discount and issuance costs related to the Company's offering of 175,000 units each consisting of \$1,000 principal amount of 14 1/2% Senior Notes due 2008 (the Senior Notes) and warrants to purchase 111,125 shares of common stock (the Warrants) for gross proceeds of \$175,000 (collectively, the Unit Offering). Goodwill and rights of entry contracts are

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OnePoint Communications Corp.

Notes to Consolidated Financial Statements (Continued)

2. Significant Accounting Policies (continued)

Intangible Assets (continued)

amortized using the straight-line method over a fifteen-year period. Deferred financing charges are amortized under the effective interest method as a component of interest expense over the life of the related debt.

Impairment of Long Lived Assets

The Company assesses the impairment of long-lived assets including intangible assets in accordance with Statement of Financial Accounting Standards No. 121, Accounting for the Impairment of Long Lived Assets and for Long Lived Assets to be Disposed of ("Statement No. 121"). Statement No. 121 requires impairment losses to be recognized for long-lived assets when indicators of impairment are present and the undiscounted cash flows are not sufficient to recover the assets' carrying amounts. Intangibles are also evaluated for recoverability by estimating the projected undiscounted cash flows, excluding interest, of the related business activities. The impairment loss of these assets, including goodwill, is measured by comparing the carrying amount of the asset to its fair value with any excess of carrying value over fair value written off. Fair value is based on market prices where available, an estimate of market value, or determined by various valuation techniques including discounted cash flow.

Research and Development

All research and development costs are charged to operations as incurred.

Revenue Recognition

- The Company recognizes revenue as services are provided to MDU customers. Prepaid phone card revenues are recognized upon delivery of the cards to OPS's customer as the Company has no ongoing performance obligation after transfer of title upon delivery.

Fair Value of Financial Instruments

The Company considers the recorded value of its financial assets and liabilities, to approximate the fair value of the respective assets and liabilities at December 31, 1999 and 1998, respectively.

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OnePoint Communications Corp.

Notes to Consolidated Financial Statements (Continued)

2. Significant Accounting Policies (continued)

Stock-Based Compensation

The Company has adopted the Financial Accounting Standards Board's Statement of Financial Accounting Standard No. 123, "Accounting for Stock-Based Compensation" ("Statement No. 123"). Statement No. 123 allows companies to either account for stock-based compensation under the new provisions of Statement No. 123 or under the provisions of Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" ("Opinion No. 25"), but requires pro forma disclosures in the footnotes to the consolidated financial statements as if the measurement provisions of Statement No. 123 had been adopted. The Company intends to continue to account for its stock-based compensation in accordance with Opinion No. 25.

Marketing Costs

Marketing costs are expensed as incurred. For the years ended December 31, 1999, 1998 and 1997, marketing costs were approximately \$1,914, \$1,921 and \$484, respectively.

Income Taxes

The Company accounts for income taxes and the related accounts under the liability method. Deferred tax liabilities and assets are determined based on the difference between the financial statement and tax basis of assets and liabilities using enacted rates expected to be in effect during the year in which the differences reverse. The Company has incurred losses for both financial and income tax reporting since inception. Accordingly, no provision or benefit for income tax has been recorded in the accompanying consolidated financial statements.

Loss Per Share

The Company's basic loss per share calculations are based upon the weighted average of shares of common stock outstanding. The dilutive effect of stock appreciation rights and warrants to purchase the Company's common stock are included for purposes of calculating diluted earnings per share, except for periods when the Company reported a net loss, in which case the inclusion of stock options would be anti-dilutive. Diluted loss per share is not presented for the periods ended December 31, 1999, 1998, and 1997 as the effects of potentially dilutive instruments are anti-dilutive.

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OnePoint Communications Corp.

Notes to Consolidated Financial Statements (Continued)

2. Significant Accounting Policies (continued)

Recently Issued Accounting Standards

In June 1998, the FASB issued Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities," which requires that all derivatives be recognized as either assets or liabilities in the statement of financial position and that those instruments shall be measured at fair value. Statement No. 133 also prescribes the accounting treatment for changes in the fair value of derivatives which depends on the intended use of the derivative and the resulting designation. Designations include hedges of the exposure to changes in the fair value of a recognized asset or liability, hedges of the exposure to variable cash flows of a forecasted transaction, hedges of the exposure to foreign currency translations, and derivatives not designated as hedging instruments. Statement No. 133 is effective for fiscal years beginning after June 15, 1999.

Accounting for Derivative Instruments and Hedging Activities

The FASB agreed to defer for one year the implementation date of FASB Statement 133, "Accounting for Derivative Instruments and Hedging Activities" ("Statement No. 133"). In agreeing to the deferral, the FASB acknowledged constituent concerns about the need for the FASB to provide guidance on significant implementation issues. As amended, Statement 133 is effective for all fiscal quarters of all fiscal years beginning after June 15, 2000. Early application continues to be encouraged. The Company has not adopted Statement No. 133 as of December 31, 1999. The adoption of this Statement is not expected to have a material impact on the Company's financial position or results from operations.

3. Acquisitions

On November 30, 1999, OPS, one of the Company's subsidiaries entered into a definitive stock purchase agreement to acquire 100% of the equity interest of RCP, an Arizona-based retailer of prepaid telephone cards, for a total consideration of \$985,000 in cash and 1,425,000 million of restricted common membership units of OPS. Of these amounts \$891,000 and 1,050,000 million of restricted common membership units are being withheld subject to the achievement of revenue and cash flow performance criteria. Such amounts have been treated as contingent consideration in this acquisition and will be recognized in OPS's financial statements when and if earned by the former shareholders of RCP. The RCP acquisition was recorded pursuant to the purchase method of accounting. Pursuant to the stock purchase agreement, on the first anniversary of the closing date the Company is obligated to pay, provided RCP meets certain performance criteria, the amount of the initial holdback less any existing reserves as stated in the agreement.

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OnePoint Communications Corp.

Notes to Consolidated Financial Statements (Continued)

5. Trade receivables (continued)

Activity in the allowance for doubtful accounts was as follows:

	1999	December 31 1998	1997
Opening balance	\$ 216	\$ 7	\$ -
Bad debt charge-offs	(3,692)	(568)	-
Adjustments to reserves	4,075	777	7
Ending balance	\$ 599	\$ 216	\$ 7

6. Investments in Marketable Securities

This is a summary of marketable securities, all of which were classified as available-for-sale, as of December 31, 1999 and 1998:

[CAPTION]

	Cost	Unrealized Losses	Unrealized Gains/(Loss)	Accrued Interest	Estimated Fair Value
	1999				
Non-restricted:					
Municipal/provincial bonds	\$1,273	\$-	\$-	\$3	\$1,280
Commercial paper	3,816	-	-	5	3,821
Mutual funds	394	-	-	16	408
Restricted:					
U.S. treasury notes and securities	20,649	-	33	1,768	22,452
Money market	839	-	-	-	839
	\$26,973	\$-	\$33	\$1,792	\$28,800
	1998				
Non-restricted:					
Municipal/provincial bonds	\$13,048	\$-	\$91	\$148	\$13,327
Commercial paper	12,637	-	-	121	12,758
Mutual funds	139	-	-	21	160
Restricted:					
U.S. treasury notes and securities	69,983	-	\$10	-	70,598
Money market	1,780	-	-	-	1,780
	\$98,792	\$-	\$101	\$330	\$99,823

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OnePoint Communications Corp.

Notes to Consolidated Financial Statements (Continued)

6. Investments in Marketable Securities (continued)

The net adjustment to unrealized holding gains (losses) on available-for-sale securities included as comprehensive income in shareholders' equity totaled \$(666) and \$701 in 1999 and 1998, respectively. The Company did not hold investments in marketable securities in 1997.

The amortized cost and estimated fair value of debt and marketable equity securities at December 31, 1999 and 1998, by contractual maturity, are shown below. Expected maturities will differ from contractual maturities because the issuers of the securities may have the right to prepay obligations without prepayment penalties. The Company's restricted securities are comprised of the Pledged Securities as discussed in Note 10. The Company has classified restricted securities with an estimated fair value of approximately \$12,417 which mature within twelve months as noncurrent investments in the accompanying consolidated balance sheet.

	December 31, 1999		December 31, 1998	
	Cost	Estimated Fair Value	Cost	Estimated Fair Value
Due in one year or less	\$14,411	\$15,400	\$36,969	\$37,248
Due after one year through three years	10,054	10,873	58,704	59,435
Due after three years	1,275	1,280	-	-
	25,740	27,553	95,673	96,683
Mutual funds and money market	1,233	1,247	3,119	3,140
	\$27,973	\$28,800	\$98,792	\$99,823

7. Investment in Unconsolidated Subsidiaries

The Company has an investment of 41% in one company and accounts for this investment using the equity method.

The daily operations of Mid-Atlantic are managed by an entity which owns the other 59% interest. The Company maintains certain veto rights on significant transactions and as defined in the operating agreement between the unit-holders.

The results of operations and financial position as of December 31, 1999 and 1998 is summarized

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OnePoint Communications Corp.

Notes to Consolidated Financial Statements (Continued)

7. Investment in Unconsolidated Subsidiaries (continued)

below for the years ended December 31, 1999, 1998 and 1997:

	1999	1998	1997
	-----	-----	-----
Condensed operating information:			
Net sales	\$ 19,886	\$ 16,494	\$ 14,040
Loss from operations	(4,753)	(3,919)	(3,367)
Net loss	(9,337)	(7,717)	(6,142)
Condensed balance sheet information:			
Current assets	\$ 2,032	\$ 2,192	
Noncurrent assets	56,497	55,183	
Current liabilities	52,112	7,233	
Noncurrent liabilities	--	34,257	
Net worth	6,417	15,885	

Investments in net assets of companies accounted for under the equity method was as follows:

	1999	1998	1997
	-----	-----	-----
Opening balance	\$ 6,283	\$ 10,061	\$ --
Purchase of equity interests	--	--	12,750
Equity losses of unconsolidated subsidiaries	(3,828)	(3,698)	(3,072)
MAC interactive write off	(135)	--	--
Other investment costs	463	--	--
Amortization of other investment costs	(80)	(80)	(80)
Balance at December 31	\$ 2,240	\$ 6,283	\$ 10,061

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OnePoint Communications Corp.

Notes to Consolidated Financial Statements (Continued)

8. Property and Equipment

Property and equipment consist of the following:

	December 31	
	1999	1998
Furniture and equipment	\$ 6,194	\$ 3,157
Computer equipment	3,424	1,942
Facility equipment	10,306	3,176
Vehicles	854	791
Leasehold improvements	2,389	1,828
Switch equipment	1,014	--
	24,181	10,894
Less accumulated depreciation	(3,807)	(1,409)
	20,374	9,485
Construction in progress	4	1,438
	\$ 20,378	\$ 10,923

The Company recognized depreciation expense of \$2,607, \$1,155 and \$235 in 1999, 1998 and 1997, respectively.

9. Intangible Assets

Intangible assets consist of the following as of December 31:

	1999	1998
Issuance costs and original issuance discount on Senior Notes	\$ 4,477	\$ 7,250
Goodwill	7,250	5,215
Other	462	30
	12,189	12,495
Accumulated amortization	(1,280)	(696)
	\$ 10,909	\$ 11,799

During the years ended December 31, 1999 and 1998, the Company repurchased \$51,250 and \$41,000 of its 14 1/2% Senior Notes and wrote off \$2,547 and \$2,111 of issuance costs and original issuance discount on the Senior Notes, net of accumulated amortization of \$226 and \$107, respectively.

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OnePoint Communications Corp.

Notes to Consolidated Financial Statements (Continued)

9. Intangible Assets (continued)

Amortization expense for the years ended December 31, 1999, 1998 and 1997 totaled \$374, \$775 and \$0, respectively.

Amortization related to the issuance costs and original issuance discount on the Senior Notes during the years ended December 31, 1999 and 1998 of \$513 and \$552 was recognized as a component of interest expense.

10. Long-Term Debt

Unit Offering

During May 1998, the Company offered units each consisting of \$1 principal amount of 14 1/2% Senior Notes due 2008 (the "Senior Notes") and Warrants to purchase 111,125 shares of common stock (the "Warrants") for gross proceeds of \$175,000 (collectively, the "Unit Offering"). Each of the 175,000 Warrants entitles the holders to purchase 0.635 shares of common stock of the Company at an exercise price of \$0.01 per share. Unless exercised, the Warrants expire on June 1, 2008. The Warrants were valued at \$5,300 based on independent appraisal thereof as of the issuance date and are reflected as an additional debt discount and reduction of the carrying amount of the Senior Notes in the accompanying financial statements.

In connection with the Unit Offering, the Company purchased \$80,500 of government securities (the "Pledged Securities") to fund the first seven scheduled interest payments on the Senior

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